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Distinguished members of the Surface Transportation Board, I am speaking on STB Ex Parte No. 582.

I am Joel D. Hammond, Vice President of Big River Industries, Inc. We are a Rotary Kiln Expanded Clay aggregate manufacturing company with production operations in Livingston, Alabama rail served by the Norfolk Southern Corporation and a plant in Erwinville, Louisiana served by the Union Pacific Rail.

I want to address our experiences with past major rail consolidations.

There is a saying around our plants that go like this, "Once consolidation begins, the service ends".

This has occurred with all recent major railroad consolidations. Certainly I don't have to bore you with the problems that occurred with the last several consolidations, everyone who had a complaint and came before me today have covered those problems. It is suffice to say "ditto" to you on our part.

Who is the real loser when it comes to these giant companies becoming bigger, why it's the small shipper. They are the ones who get lost in the shuffle. They are the ones whose voice is silenced. They are the one's who are shut out of the special rates afforded by the large shippers who command the attention of the large carrier. It is only natural to do this and it is being done now. Bigger isn't better, it is only bigger.... bigger problems and bigger egos.

What are we to do when there is no competition? Let's face it competition is the only reason that rates, although high, are not higher. This is true throughout the transportation industry. No competition equals higher prices. In fact this is a truism in all industries; after all it is maximizing shareholder return as the goal at the end of the day. Since bigger is better, another consolidation will start another consolidation until there are only several left to choose for service. The danger in this becomes the exposure of failure of profits of one of the major railroads left. Since the nation can ill afford a weakness in one of the only major railroads, the Government will expect the public to support them through any problem they encounter. There will be no difference between capable management and inept management and we will have backed ourselves into a corner.

I am requesting the Surface Transportation Board stop this trend or at least create a research group to study the long-term effects of the prior consolidations before such a decision further is made by this group.

ENTERED
Office of the Secretary

MAR 03 2000

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